THE PROVINCIAL MEDIATION BOARD TRUST ACCOUNTS

FINANCIAL STATEMENTS

For the Year Ended March 31, 1999

SASKATCHEWAN

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AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Provincial Mediation Board Trust Accounts as at March 31, 1999 and the statement of receipts, disbursements and trust account balances for the year then ended. The Provincial Mediation Board's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Provincial Mediation Board Trust Accounts as at March 31, 1999 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

Wayne Strelioff

Regina, Saskatchewan
June 21, 1999

Wayne Strelioff, CA
Provincial Auditor

THE PROVINCIAL MEDIATION BOARD TRUST ACCOUNTS
STATEMENT OF FINANCIAL POSITION
As of March 31

	1999	1998
ASSETS		
Due from General Revenue Fund (Note 4)	$ 183,366	$ 169,881
Total assets	$ 183,366	$ 169,881
LIABILITIES		
Trust account balances (Statement 2)		
Orderly payment of debt program	$ 118,346	$ 125,501
Consumer proposals	50,447	24,100
Mediation of debt program	13,383	17,534
Tax enforcement proceedings	1,190	2,746
Total liabilities	$ 183,366	$ 169,881

(See accompanying notes to the financial statements)

Statement 2

THE PROVINCIAL MEDIATION BOARD TRUST ACCOUNTS
STATEMENT OF RECEIPTS, DISBURSEMENTS AND TRUST ACCOUNT BALANCES
Year Ended March 31

	1999	1998
ORDERLY PAYMENT OF DEBT PROGRAM		
Receipts from clients	$ 698,126	$ 664,317
Payments to creditors	(611,901)	(575,732)
Payments to Department of Justice	(93,380)	(65,958)
(Decrease) Increase in Trust balance	(7,155)	22,627
Balance, beginning of year	125,501	102,874
Balance, end of year to Statement 1	$ 118,346	$ 125,501
CONSUMER PROPOSALS		
Receipts from clients	$ 128,870	$ 129,075
Interest from General Revenue Fund (Note 4)	1,922	1,581
Payments to creditors	(87,369)	(101,625)
Payments to Department of Justice	(17,076)	(22,551)
Increase in Trust Balance	26,347	6,480
Balance, beginning of year	24,100	17,620
Balance, end of year to Statement 1	$ 50,447	$ 24,100
MEDIATION OF DEBT PROGRAM		
Receipts from clients	$ 103,464	$ 183,827
Payments to creditors	(102,342)	(191,171)
Payments to Department of Justice	(5,273)	(3,285)
(Decrease) in Trust balance	(4,151)	(10,629)
Balance, beginning of year	17,534	28,163
Balance, end of year to Statement 1	$ 13,383	$ 17,534
TAX ENFORCEMENT PROCEEDINGS		
Receipts from property owners	$ 18,584	$ 6,847
Payments to municipalities	(3,820)	(1,942)
Payments to Department of Justice	(16,320)	(2,200)
(Decrease) Increase in Trust Balance	(1,556)	2,705
Balance, beginning of year	2,746	41
Balance, end of year to Statement 1	$ 1,190	$ 2,746
THE RESIDENTIAL TENANCIES ACT		
Application Fees	$ –	$ 22,740
Abandoned property proceeds	–	2,500
Abandoned property proceeds paid to creditor	–	(2,500)
Payments to Department of Justice	–	(34,044)
(Decrease) in Trust balance	–	(11,304)
Balance, beginning of year	–	11,304
Balance, end of year to Statement 1	$ –	$ –

(See accompanying notes to the financial statements)

THE PROVINCIAL MEDIATION BOARD TRUST ACCOUNTS
NOTES TO THE FINANCIAL STATEMENTS
March 31, 1999

1. Legislative Authority

The Trust Accounts were established for the purpose of receiving and disbursing monies for persons who have entered into negotiations for the settlement of debts, either through *The Provincial Mediation Board Act*, *The Tax Enforcement Act,* Orderly Payment of Debts Regulations or through the Consumer Proposals Program.

2. Accounting Policies

These financial statements are prepared in accordance with generally accepted accounting principles.

3. Related Party Transactions

In accordance with established government practice, the Trust Accounts have not been charged with any administrative costs and no provision for such costs is reflected in these statements. These costs are borne by the Department of Justice from monies appropriated by the Legislature for such purposes.

Under Parts III and X of *The Bankruptcy and Insolvency Act*, the Consumer Proposals and the Orderly Payment of Debts Consolidation Orders are subject to application and administration fees which are recorded as revenue for the Department of Justice. These fees are included in the receipts and payments under the Orderly Payment of Debts Program, Consumer Proposals, Mediation of Debt Program and Tax Enforcement Proceeding.

4. Due From General Revenue Fund

The Provincial Mediation Board's bank accounts are included in the Consolidated Offset Bank Concentration (COBC) arrangement for the Government of Saskatchewan.

The bank account set up to handle Consumer Proposals earns interest that is calculated and paid by the General Revenue Fund on a quarterly basis into the Trust's bank account using the Government's 30 day borrowing rate and the Trust's average daily bank account balance. Interest is allocated to clients based on their balances.

No interest is paid into the bank account used for the remaining programs.

5. Uncertainty due to the Year 2000 Issue

The Year 2000 Issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems which use certain dates in 1999 to represent something other than a date. The effects of the Year 2000 Issue may be experienced before, on, or after January 1, 2000, and, if not addressed, the impact on operations and financial reporting may range from minor errors to significant systems failure which could affect an entity's ability to conduct normal business operations. It is not possible to be certain that all aspects of the Year 2000 Issue affecting the entity, including those related to the efforts of customers, suppliers, or other third parties, will be fully resolved.